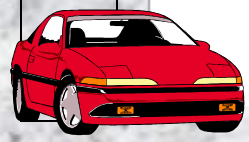
Cost Variance Rules

S A R

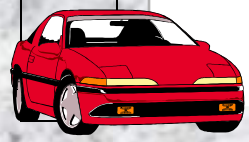
- Explanations should use words that clearly indicate the reported category
- Changes due to different change categories should not be lumped together (e.g., estimating and engineering)
- Large changes should be broken down into smaller changes, if possible
- Explanations of the following DAMIR created changes should not be revised - economic, adjustment for current and prior escalation, quantity allocations)
- Check for changes that have opposite base year and then year dollar signs



Cost Variance Rules

S A R

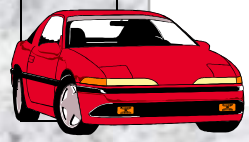
- Economic Changes
  - Only occurs in the December SAR
  - Must have a zero base year component
  - Must use the words “Revised escalation rates.”
- Quantity Changes
  - Should indicate the quantity change (increase or decrease of so many units) and the “from” and “to” quantities
  - The DAMIR default word “units” should be replaced by the actual end item type (e.g., aircraft)
  - Quantity allocations should say, e.g., “allocation to schedule variance resulting from quantity change”



Cost Variance Rules

S A R

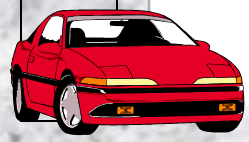
- Schedule Changes
  - DAMIR calculated schedule changes (procurement) should have a zero base year component
  - DAMIR calculated schedule change explanations should be modified to provide detail about schedule change (e.g., procurement profile was extended three years FY2012, buy profile changed from 24 per year to 20 per year for FY2008-2010)



Cost Variance Rules

S A R

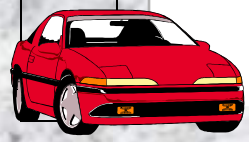
- Engineering Changes
  - The explanation should contain words that clearly indicate the reported category (e.g., redesign, configuration change, new technology upgrade)
  - Large engineering changes should be broken out, if possible
  - The DAMIR default “new engineering change” must be revised to describe the reason for the engineering change



Cost Variance Rules

S A R

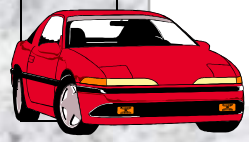
- Estimating Changes
  - The explanation should contain words that clearly indicate the reported category (e.g., revised estimate, change in estimating assumptions)
  - Large estimating changes should be broken out, if possible
  - The DAMIR default “new estimating change” must be revised to describe the reason for the estimating change
  - Adjustment for current and prior should only appear in the December SAR



Cost Variance Rules

S A R

- Other Changes
  - Use of “Other” requires OSD permission
- Support Changes
  - An explanation of the reason why initial spares has changed should be provided (e.g., “as a result of the quantity increase” or “revised estimate of initial spares requirement”)
  - “Other” support changes should provide detail as appropriate (e.g., increase in requirements for data and training materials)



Cost Variance Rules

S A R

- Use DAMIR words as is for Economic, Adjustment for Current and Prior, Quantity Allocations.
- Modify Total Quantity and True Quantity to identify type of unit (e.g., vehicle).
- Modify schedule to provide as much detail as possible. Do not use DAMIR default explanations (e.g., New Estimating Change) for Estimating, Engineering, Other